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April 5, 2007

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**VIA ELECTRONIC FILING**

Marlene H. Dortch, Esq.  
Secretary  
Federal Communications Commission  
445 Twelfth Street, SW, Room TWA325  
Washington, DC 20554

Re: Notice of *Ex Parte* Presentation in WT Docket No. 06-150

Dear Ms. Dortch:

On April 5, 2007, SpectrumCo LLC ("SpectrumCo") representatives David Don, economic consultant Dr. Coleman Bazelon, and I met with FCC Commissioner Robert McDowell and his legal advisor Angela Giancarlo to discuss the above-captioned 700 MHz proceeding.

During the meeting, SpectrumCo's representatives discussed the *ex parte* letter and the two economic analyses previously filed in this docket by SpectrumCo on January 8 and March 6, 2007. Specifically, SpectrumCo discussed the benefits of its proposed 700 MHz band plan, featuring a mix of geographic area licenses similar to the "building block" model used in the FCC's successful Advanced Wireless Service auction. In addition, SpectrumCo noted three principles for choosing 700 MHz block sizes and license areas, as reflected in the attached summary and Dr. Bazelon's March 6 economic analysis.

Please contact me if there are any questions regarding this filing.

Sincerely,

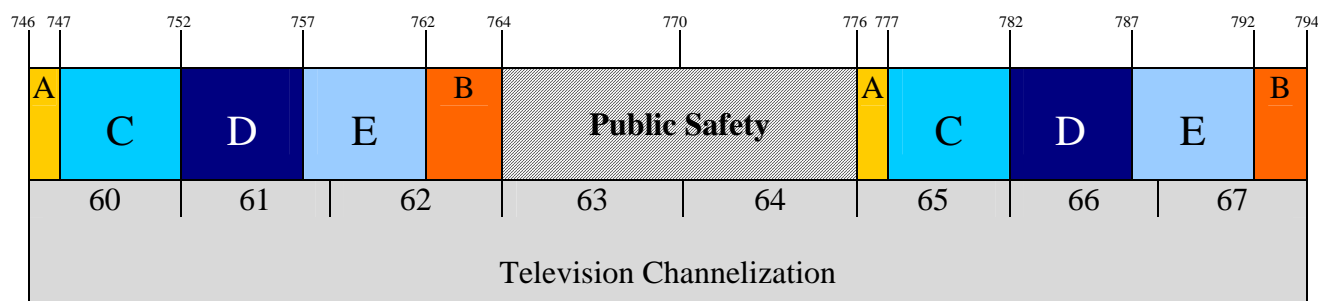
*/s/ Michele C. Farquhar*

Michele C. Farquhar  
Attorney for SpectrumCo LLC

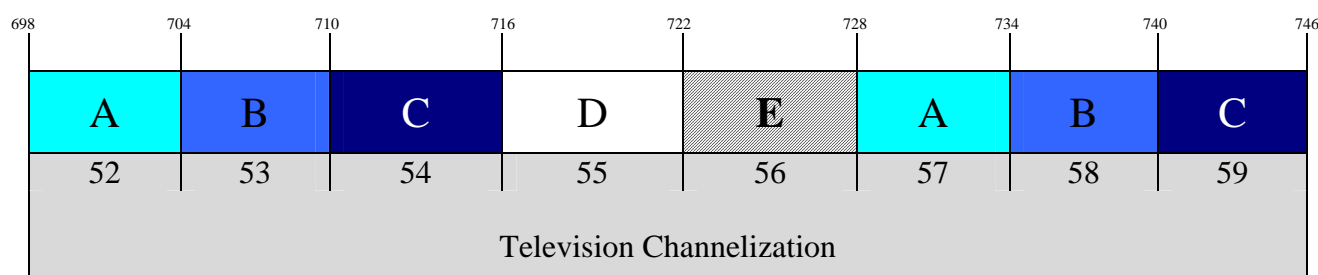
cc: Commissioner Robert McDowell  
Angela Giancarlo

# SpectrumCo LLC 700 MHz Presentation

## Proposed Upper 700 MHz Band Plan



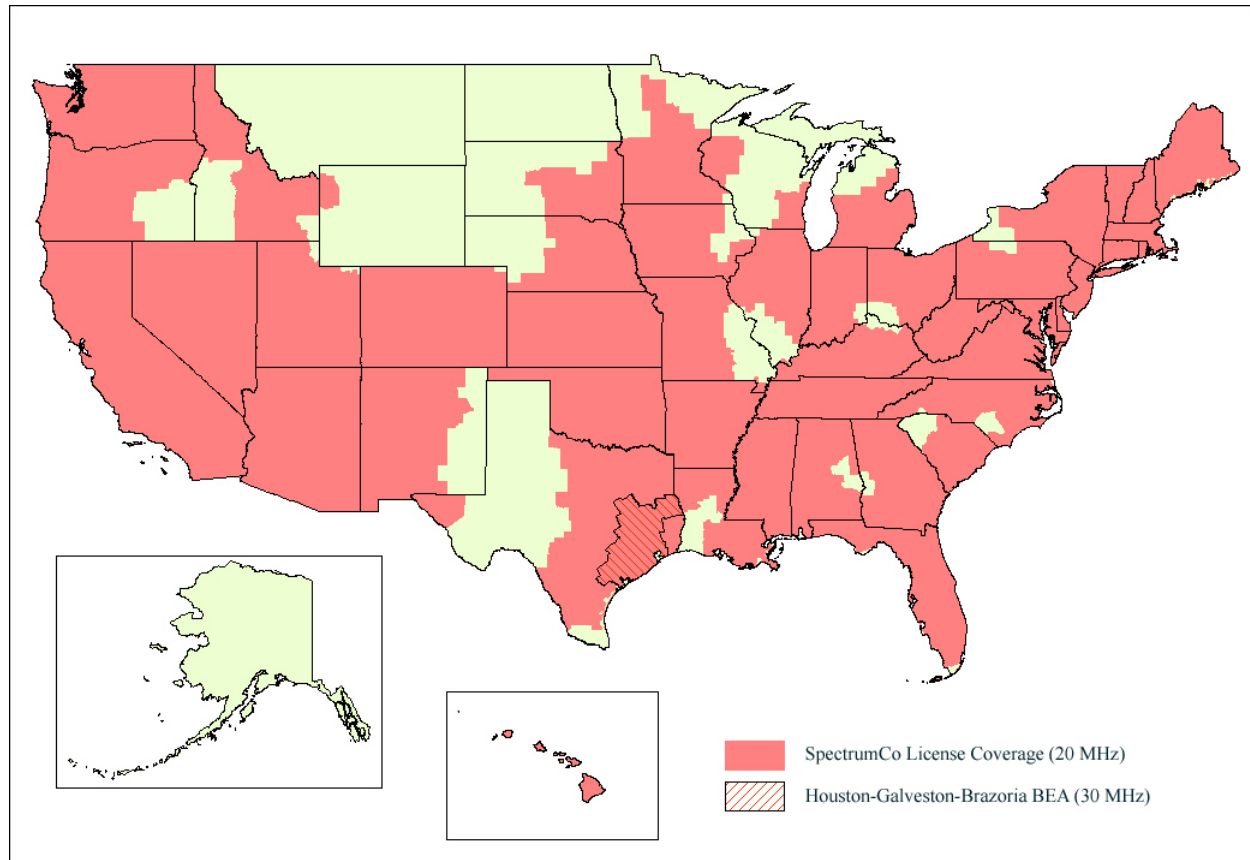
## Proposed Lower 700 MHz Band Plan



Block	Frequencies (MHz)	Bandwidth	Pairing	Geographic Area Type	No. of Licenses
A	698-704, 728-734	12 MHz	2 x 6 MHz	Economic Areas	176
B	704-710, 734-740	12 MHz	2 x 6 MHz	MSA/RSA (CMAs)	734
C	710-716, 740-746	12 MHz	2 x 6 MHz	MSA/RSA (CMAs)	734
<b>AUCTIONED</b>					
D	716-722	6 MHz	unpaired	700 MHz EAG	6
<b>AUCTIONED</b>					
E	722-728	6 MHz	unpaired	700 MHz REAG	12

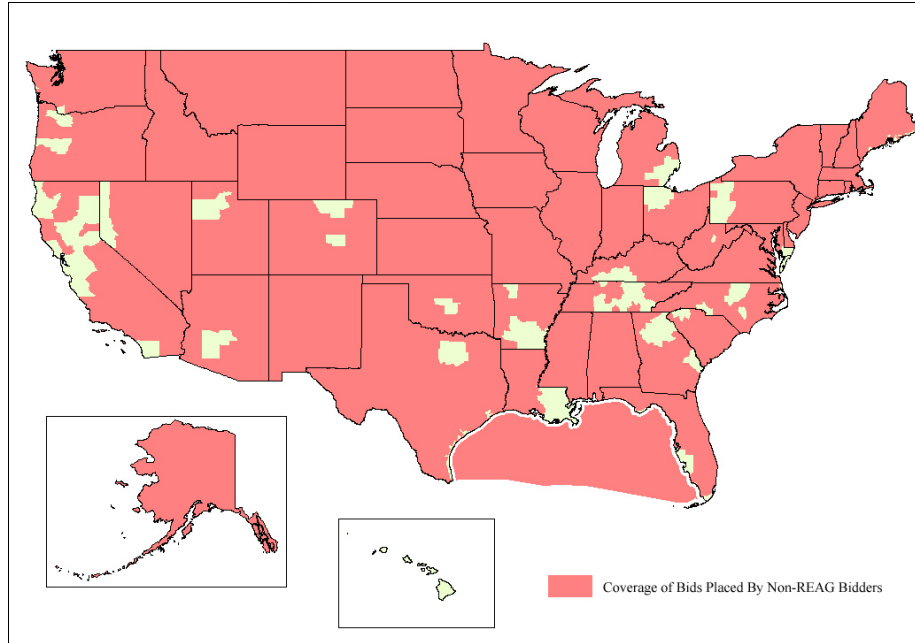
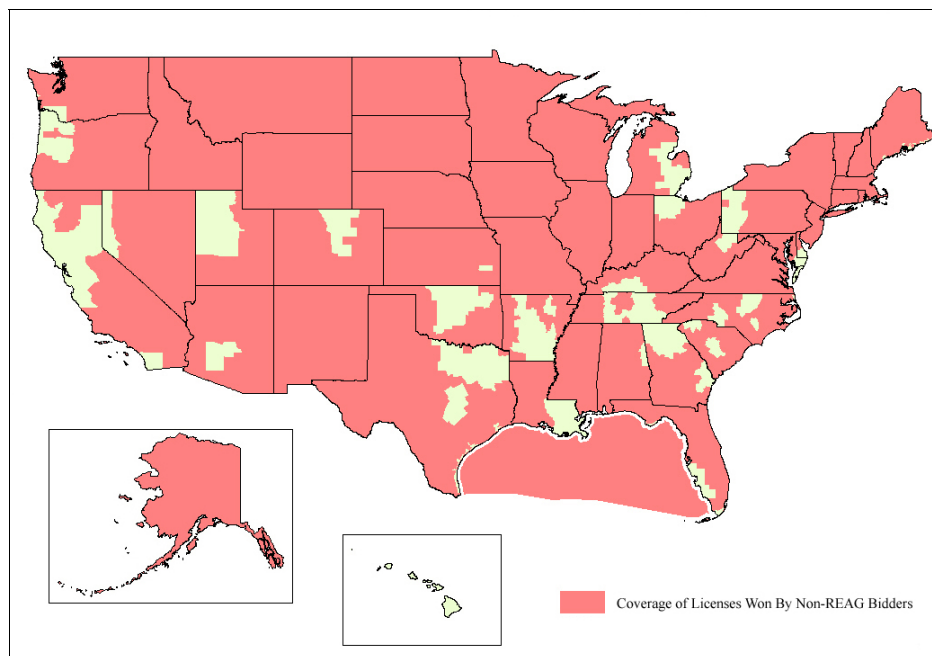
**Coleman Bazelon, Analysis Group, Inc.**  
**“The Economics of License Sizes in the FCC’s 700 MHz Band Auction”**

**Figure 2: SpectrumCo Winning Bids**



**SPECTRUMCo’S EXPERIENCE**

In the AWS auction, SpectrumCo effectively purchased a nationwide package of 20 MHz licenses in the continental U.S. Initially, SpectrumCo placed bids on a national set of REAG licenses. In round 11, SpectrumCo began transferring its bids to EA licenses. Ultimately, SpectrumCo successfully purchased 137 licenses that covered 260.5 million people for approximately \$2.4 billion.

**Figure 3: Non-REAG Bidders Total Bidding Coverage****Figure 4: Non-REAG Bidders Winning Bid Coverage****SOME AWS DEMAND WOULD HAVE BEEN LOST BUT FOR SMALLER LICENSES**

Of 168 eligible bidders in the AWS auction, 153 never placed a bid on a continental REAG license. These bidders won 355 licenses, covering 72 million people in total, and ultimately purchased over \$220 million in licenses. Most of the 153 non-REAG bidders purchased only a few licenses, but in total they represented widely distributed demand throughout the country.

## **Three Principles for Choosing 700 MHz Block License Sizes**

**Principle #1: EA licenses are best suited to meet the demand for medium and large geographic area coverage, with added efficiencies for each additional block licensed on an EA basis.**

- EA building blocks provide bidders with the flexibility to create a package of licenses that best meets their individual needs.
- The flexibility and efficiency gains are increased with each additional EA license.
- Offering multiple EA licenses minimizes potential aggregation risk.
- Smaller license areas reduce the need for strict performance requirements.
- Three 10 MHz EA licenses in the Upper 700 MHz band and one 12 MHz EA license in the Lower band would be ideal.

**Principle #2: Only one CMA license is needed to meet the demand for spectrum with small geographic coverage.**

- CMA demand is limited – most comes from rural areas that support fewer operators than urban markets.
- In the AWS Auction, only 20 of the 734 CMA licenses had more than two CMA-only bidders, and over half of the RSAs did not attract a single bid from a CMA-only bidder. Over half of the CMA licenses (398) attracted only two or fewer bidders.
- If multiple CMAs are used, aggregation risk will increase.

**Principle #3: Smaller bandwidths (10 MHz blocks in the Upper 700 MHz band) will maximize flexibility.**

- The current band plan severely limits the likelihood of assigning the band efficiently during the auction.
- Dividing the one 20 MHz license into two 10 MHz licenses would allow more bidders to win licenses.
- Three 10 MHz licenses in the Upper 700 MHz band will reduce aggregation risk, especially if the three licenses are all EAs.